

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SAS GROUP, INC. and MICHAEL SOBO,	x Civil Action No. 08-Civ-1021 (SCR)
	x
Plaintiffs,	x ECF Case
	x
-against-	x INITIAL JOINT
	x STATUS REPORT
PROVIDENCE WASHINGTON INSURANCE	x
COMPANY and PROVIDENCE WASHINGTON	x
INSURANCE SOLUTIONS, LLC,	x
	x
Defendants.	x
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Pursuant to Federal Rule of Civil Procedure 26(f) and Hon. Judge Stephen Robinson's Order of February 6, 2008, the parties to the above-captioned proceeding, represented by Kevin J. Harrington and John T.A. Rosenthal (Harrington, Ocko & Monk, LLP) for Plaintiffs, SAS GROUP, INC. ("SAS") and MICHAEL SOBO ("Sobo"), and Robert E. O'Connor (O'Connor, O'Connor, Hintz & Deveney) for Defendants, PROVIDENCE WASHINGTON INSURANCE COMPANY and PROVIDENCE WASHINGTON INSURANCE SOLUTIONS, LLC (collectively "Providence Washington" or "Defendants"), submit this Joint Initial Status Report:

1. Plaintiffs' Complaint alleges causes of action for declaratory judgment and breach of contract. Plaintiffs allege that Defendants issued Plaintiffs an insurance policy number CX00922482 covering the period May 10, 2004 through March 10, 2005, and that such policy covered SAS and its officer, Michael Sobo. On November 9, 2006, non-party Perrin & Nissen, Ltd. ("PNL") filed an action against SAS and Sobo alleging, *inter alia*, causes of action for trademark infringement, dilution, false designation of origin, unfair competition, deceptive trade

practices and copyright infringement, among other things, as a result of Plaintiffs' alleged copying and use of slogans, trademarks and other marketing methods concerning the children's toy balloon product "Amazing Elastic Plastic". Plaintiffs requested defense and indemnification by Providence Washington pursuant to the policy's personal and advertising injury clause.

Defendant declined coverage maintaining that the allegations in the underlying PNL Complaints did not fall within the scope of coverage provided for by the policy.

Plaintiffs filed a Complaint for declaratory judgment and breach of contract on January 31, 2008.

Defendant filed an Answer asserting five (5) affirmative defenses.

2. **Jurisdiction:** Plaintiffs assert jurisdiction is appropriate in this Court pursuant to 28 U.S.C. §1332 as there is diversity of citizenship of the parties; SAS is a New York corporation with its principal place of business in Westchester County, New York, and Providence Washington is a Rhode Island corporation, and the amount in controversy exceeds \$75,000.

Jurisdiction is appropriate with regard to declaratory judgment under 28 U.S.C. §§2201 and 2202 as there exists a real, actual and justiciable controversy between the parties.

Venue is appropriate in this Court pursuant to 28 U.S.C. §1391(a) because a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this judicial district, and the intellectual property at issue in the underlying PNL actions is located at SAS' principal place of business in Westchester County, New York.

3. **Contemplated motions.**

Plaintiffs are not contemplating any motions at this time. Defendants may bring a motion to consolidate the instant action with the action entitled *SAS Group, Inc. and Michael Sobo v.*

Great American E&S Insurance Company, Civil Action No. 08-Civ-1020 (SCR); Plaintiffs would oppose such motion at this juncture.

4. **Settlement Discussions.**

There have been no settlement discussions between the parties as of the date of service of Plaintiffs' Complaint upon Defendant.

RESPECTFULLY SUBMITTED this 13th day of May, 2008.

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